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Third United Nations Conference on the
Least Developed Countries
Brussels, Belgium, 14-20 May 2001

# PARLIAMENTARY MESSAGE TO THE THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

Adopted by the Council of the Inter-Parliamentary Union in Havana on 7 April 2001

GE. 010552 ENG

# PARLIAMENTARY MESSAGE TO THE THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

Adopted without a vote by the Council of the Inter-Parliamentary Union
at its 168th session (Havana, 7 April 2001)

Globalisation has not only dramatically changed the pattern of international development co-operation but has also brought new challenges in its wake, especially for the least developed countries (LDCs). The LDCs are now having to shoulder additional duties and responsibilities in the form of conditionalities and obligations, at times imposed through multilateral trade, investment and intellectual property frameworks.

The binding obligations and responsibilities of LDCs are not necessarily matched by corresponding obligations for the developed countries, despite the existence of non-binding indicative targets such as the 0.7% GNP target for Official Development Assistance (ODA). Since the developed countries are not firmly committed to such obligations, they are not pursued with the seriousness they require. In this sense, there has to be more balance and fairness between poor and rich countries in the emerging global system.

Over the last decade, the Inter-Parliamentary Union has repeatedly called for improvement and reform in the international development system, especially in the areas of trade, finance, food security and good governance. The Third United Nations Conference on LDCs offers a significant opportunity to bring a fresh impetus to the improvement of the international development system at the start of the new millennium.

The least developed countries require domestic and external measures that are complementary and mutually reinforcing. The old North-South regime should give way to a true development compact between reformers in both donor and beneficiary countries, which must be committed to the international development targets and capable of self-criticism instead of mutual recrimination.

As parliamentarians representing our constituencies in cities, towns and villages, in both densely populated and remote areas, we call upon the Conference to take an uncompromising look at the key challenges facing the people and governments of LDCs.

- LDCs must be the owners of their policies. International development targets are basic objectives that cannot be attained through a rigid, mechanical approach. They must be converted into **individual country targets** and **highly focused national plans**, prepared by each LDC with the full participation of its people and - when needed - with the support of donors and international organisations.

- As parliamentarians, we are particularly conscious of the imperative of **good governance**, which is a precondition for effective forms of sustainable development.

Much remains to be done by the LDCs in putting their own houses in order, not so as to be rewarded by donors but for their own sake. Indeed, participatory and transparent forms of governance are crucial to poverty eradication, as are transparent and accountable public expenditure management and an equitable tax system, including effective tax collection. In this connection, poverty eradication can only be achieved with the full participation of women. Executive arms of government have to be made accountable and their activities must be subject to the necessary checks and balances, including parliamentary oversight and the rule of law, and effective measures to fight corruption.

- LDCs have yet to obtain advantages from their more intensive involvement in the **world trading system** where, for the moment, they are only marginal players. While trade has expanded globally, the share of LDCs has remained stagnant. They face numerous obstacles. Some of these are domestic and relate to weak institutions, inadequate infrastructure and limited skills, and there is thus a need to strengthen the capacity of LDCs to trade. Other obstacles are external in the form of tariff and non-tariff barriers in other countries, especially for types of goods and services where they enjoy a comparative advantage. Agricultural exports from LDCs, although they have a significant potential to grow, are held back by trade restrictions and subsidies, including those applied in other developing countries. Exports of more basic kinds of manufactured goods, such as textiles, where LDCs have obvious capacities and strengths also face similar restrictions. We call upon the Conference to work out practical schemes for the removal of such obstacles, which impede sustainable development in LDCs. Trade earnings will provide LDCs with non-conditional revenue flows that are vital for their autonomous development and will bring them into the mainstream of the global economic system.

- LDCs are critically short of **development finance**. They are not major recipients of foreign direct investment and have no capacity to borrow on the international capital market. They are heavily dependent upon ODA and, in view of the low level of their incomes, their domestic savings are negligible. Even though the United Nations has established a target of 0.15% of GNP of developed countries to be channelled as ODA to LDCs, actual levels declined by almost half in the 1990s to a record low of 0.05%. Donor countries are urged to commit themselves to reversing this decline in the immediate future and achieving the agreed target, and more if need be. Realistic poverty reduction strategies should not be allowed to fail for lack of external funding. At the same time, LDCs need to attract private investment, both domestic and foreign, by creating an attractive investment climate. First and foremost, however, they need to stop capital flight and put their own capital to productive domestic use, for example through micro-credit schemes. The Group of 8 and other bodies have a role to play in stimulating foreign investments in LDCs by the corporate private sector. It is vital that conditionalities imposed upon LDCs by multilateral and bilateral development partners do not jeopardise their fragile economic and social fabric.

- Not only the quantity but also the quality of aid is important. There is a need for greater flexibility and predictability in aid. Ever since development assistance began, part of it has been tied. Tied aid is corruption prone, diverts resources from priorities and increases related costs for LDCs. **Untying of aid** is a further area in which the international community should manifest its political will and give priority to the real interests of LDCs.

- The **debt trap** of LDCs has not been mitigated to any great extent despite various appeals and practical efforts. Even the enhanced HIPC Initiative, although it is welcome, is unlikely to lead to a lasting solution of the debt problem. Once again, we call upon both bilateral and multilateral donors to commit themselves to measures that will lighten the debt burden of LDCs and pave the way for enhanced growth, investment and poverty reduction in these countries. It is important to ensure that the poor are the first to benefit from resources released through debt relief as part of a broader poverty reduction strategy. Moreover, it is imperative that debt relief be financed by additional resources and that it does not take place at the expense of assistance to other developing countries.

- **Natural and environmental resources** constitute the common inheritance and capital assets of the poor. It is the poor who suffer most from the degradation of land, soil, water and forestry resources which are vital to their food security, their livelihood and their very survival. Multilateral rules and standards, whether they be in trade, investment, intellectual property or the environment, should contribute to the maintenance, regeneration and enhancement of these assets, instead of their erosion. Such rules and standards should therefore be continuously reviewed from the perspective of the poor and of LDCs.

On behalf of the world parliamentary community, the Inter-Parliamentary Union calls on the Third United Nations Conference on the Least Developed Countries to take action in the interests of real, not imaginary, progress. We believe the international community has both the vision and the resources to make a significant change for the better. This should be the last of the conferences for the least developed countries. We call on everyone to demonstrate the necessary political will to make sure that it is.

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# MINISTERIAL DECLARATION OF THE LEAST DEVELOPED COUNTRIES ON THE EVE OF THE THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

**Brussels, 13 May 2001**

GE.01-70056

**Ministerial Declaration of the Least Developed Countries on the eve of the Third United Nations Conference on the Least Developed Countries Brussels, 13 May 2001**

*We, the Ministers of the Least Developed Countries*, having met on the eve of the Third United Nations Conference on the Least Developed Countries (LDC III) in Brussels on 13 May 2001,

*Recalling* the Ministerial Declaration of the LDCs adopted on 14 April 2001 in Havana during the South Summit,

*Also recalling* the Ministerial Declaration of the Least Developed Countries adopted on 18 September 2000 during the fifty-fifth session of the General Assembly of the United Nations,

*Recalling* further the Declaration of the Least Developed Countries adopted during the Third WTO Ministerial Conference in Seattle on 29 November 1999 and the Communiqué by the Ministers of Trade of the Least Developed Countries adopted at UNCTAD X in Bangkok on 13 February 2000,

*Welcoming* the adoption of the Millennium Declaration by the Heads of State and Government on 8 September 2000 at the Millennium Summit at the United Nations in New York,

*Emphasizing* the importance of the Third United Nations Conference on the Least Developed Countries to be held in Brussels from 14 to 20 May 2001,

*Declare* that:

1. We meet against the backdrop of deteriorating socio-economic conditions and growing marginalization of our countries, while fundamental changes in the global economy resulting from globalization and the rapid advances in science and technology have engendered unprecedented increases in prosperity in the world. It is a matter of grave concern that, despite vigorous political and economic reform efforts, the 49 LDCs, as a group, were neither able to benefit from these global trends and developments nor realize the goals of the Paris Programme of Action for the LDCs for the 1990s. These efforts were retarded mainly by declining ODA flows, limited productive capacity, mounting debt burden, unfavourable market access conditions, inadequate FDI inflows, and severe structural handicaps faced by the LDCs.

2. We stress that, while the primary responsibility for our development rests with us, the amelioration of the worsening socio-economic conditions in the LDCs requires, among other things, substantial and concrete international support measures for these countries, including appropriate poverty eradication programmes and removing the critical structural impediments

to our development. In order to undertake that responsibility, there is need to forge partnership among Governments, international organizations and civil society, including NGOs and the private sector.

3. We attach, in this context, the utmost importance to the Third United Nations Conference on the LDCs, which we view as a great test for the principle of strengthened partnership and shared responsibility, to which we have all subscribed under the Programme of Action for the 1990s.

4. We reiterate our full commitment to a successful Conference and undertake to work closely with our development partners with a view to achieving concrete and action-oriented outcomes that can arrest and decisively reverse marginalization, eradicate poverty and thereby improve the present socio-economic conditions in our countries. The success of the Conference will thus be measured by the nature and extent of action-oriented and operational commitments that will have the greatest impact and significantly contribute to the achievement of these objectives.

5. In this spirit, we call for urgent action by our development partners, *inter alia* in the following specific areas:

- A reversal of the declining trends in ODA flows and early realization of the internationally agreed ODA targets for LDCs no later than 2005, and the improving of aid effectiveness to LDCs through, *inter alia*, untying of aid;

- Resolution of the debt crisis by providing broad, deep and immediate debt relief to all LDCs, including through total debt cancellation;

- Encouragement and promotion of FDI flows, including the provision of incentives for their investors in LDCs;

- Provision of secure and predictable market access through bound, duty-free and quota-free access for all of our products within a specified time-frame, which would enable us to participate effectively in the global economy;

- Operationalization, improvement and full implementation of the measures for special and differential treatment in favour of LDCs, as contained in the WTO Agreements;

- An early agreement, by the fourth WTO Ministerial Conference at the latest, for clear and simplified procedures aimed at facilitating and accelerating the accession of LDCs to WTO and provision of adequate financial and technical assistance to those countries.

6. We express our appreciation to those countries that have fulfilled and exceeded the internationally agreed targets of ODA for LDCs and to those that have improved market access conditions for LDCs' exports, including the Everything But Arms initiative of the European Union, and urge other development partners that have not yet done so to take similar measures for ODA and market access.

7. We attach great importance to the need for an appropriate and effective mechanism for implementation, follow-up, review and monitoring of the Programme of Action for LDCs for the first decade of the new millennium.

8. We welcome the renewed commitment by some of our development partners in improving the implementation of the Integrated Framework (IF) for Trade-related Technical Assistance for LDCs and the initiatives taken towards this end, in particular through the launching of the IF Pilot Scheme and the establishment of the IF Trust Fund. We invite our development partners to contribute generously to the Trust Fund.

9. We invite and encourage the member countries of the Group of 77 and China to continue their support for our countries in our efforts to integrate beneficially into the global economy and undertake to strengthen this partnership through South-South cooperation.

10. We call upon the United Nations system and all other multilateral organizations as well as other stakeholders to mobilize their efforts in support of the full and effective implementation of the outcome of this Conference with increased coordination, greater synergy and with full commitment.

11. We express our deep appreciation to the European Union for hosting the Conference and the support extended to our countries for the preparations undertaken at the country level. We wish to register our appreciation to all other partners who contributed generously to the success of the preparatory process of the Conference. We also express our appreciation to the Government and people of Belgium for the welcome and hospitality accorded to us. We also extend our appreciation to UNCTAD for its support to the Conference.

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# MINISTERIAL DECLARATION OF THE LEAST DEVELOPED COUNTRIES ON THE EVE OF THE THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

**Brussels, 13 May 2001**

## Corrigendum

Paragraph 7 should read:

7. We attach great importance to the need for an appropriate and effective mechanism for implementation, follow-up, review and monitoring of the Programme of Action for LDCs for the first decade of the new millennium. In this regard, we call upon the Secretary-General of the United Nations to establish an Office of Least Developed Countries, Land-locked Developing Countries and Small Island Developing States, with adequate financial and human resources, headed by a High Representative immediately after the Conference.

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Item 7(b) of the Agenda

# REPORT OF THE CREDENTIALS COMMITTEE

1. At its plenary meeting, on 15 May 2001, the Third United Nations Conference on the Least Developed Countries, in accordance with rule 4 of its rules of procedure, appointed a Credentials Committee consisting of the following member States: Brazil, China, Cuba, Gabon, Ireland, Mauritius, Russian Federation, Thailand and United States of America.

2. The Credentials Committee met on 18 May 2001.

3. H.E. Mr. Virasakdi Futrakul, (Thailand) was unanimously elected Chairman of the Committee.

4. A representative of the secretariat informed the Committee of the status of credentials of representatives as at 18 May 2001. Credentials issued by the Head of State or Government or by the Minister for Foreign Affairs, or by the Permanent Mission to the United Nations in Geneva or by the Embassy at the venue of the Conference upon the explicit authorization of the Head of State or Government or the Minister for Foreign Affairs had been submitted by 149 States. The representatives of 10 States had not submitted any credentials at the date of the meeting of the Committee.

5. The Chairman proposed that the Committee should decide to accept the credentials of the representatives of the States referred to in paragraph 4. In connection with the credentials which had not yet been submitted in due form, the Chairperson proposed that the Committee accept the assurances given by the representatives concerned, on the understanding that their credentials, issued in conformity with rule 4 of the rules of procedure of the Conference, would be submitted promptly to the Secretary-General of the Conference. There was no objection to this proposal.

6. The Chairman then proposed the following draft resolution for adoption by the Committee:

"*The Credentials Committee*,

"*Having examined* the credentials of the representatives of the Third United Nations Conference on the Least Developed Countries,

"*Accepts* the credentials of the representatives to the Third United Nations Conference on the Least Developed Countries and recommends to the Conference that it approve the report of the Credentials Committee."

7. The Committee adopted the above draft resolution without a vote.

8. The Chairman then proposed that the Committee should recommend to the Conference the adoption of the following draft resolution.

"CREDENTIALS OF REPRESENTATIVES
TO THE CONFERENCE"

"*The Third United Nations Conference on the Least Developed Countries*,

"*Approves* the report of the Credentials Committee"

9. The Committee endorsed the above proposal without a vote.

10. In the light of the foregoing, the present report is submitted to the Conference.

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